

UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

LANCE THOMAS ATKINSON,

INET VENTURES PTY LTD, an Australian  
proprietary company,

JODY MICHAEL SMITH,

TANGO PAY INC., a Delaware corporation,

CLICK FUSION INC., a Delaware corporation,

TWOBUCKS TRADING LIMITED, a Cyprus  
limited liability company,

Defendants.

Case No. 08CV5666

Judge Virginia M. Kendall

Magistrate Judge Maria Valdez

**DEFAULT JUDGMENT AND ORDER FOR PERMANENT INJUNCTION  
AND MONETARY RELIEF AS TO DEFENDANTS  
LANCE THOMAS ATKINSON, INET VENTURES PTY LTD.,  
TANGO PAY INC., CLICK FUSION INC., AND TWOBUCKS TRADING LIMITED**

On October 6, 2008, Plaintiff Federal Trade Commission ("Commission" or "FTC"), pursuant to Sections 13(b) and 19 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 53(b) and 57b, and the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 ("CAN-SPAM"), 15 U.S.C. § 7706(a), filed a Complaint for Injunctive and Other Equitable Relief against Defendants Lance Thomas Atkinson, Inet Ventures Pty Ltd., Jody Michael Smith, Tango Pay Inc., Click Fusion Inc., and TwoBucks Trading Limited. The Defendants were all properly served with the Complaint and a copy of the summons.

On March 17, 2009, the Court granted the FTC's motion for default against Defendants Lance Thomas Atkinson, Inet Ventures Pty Ltd., Tango Pay Inc., Click Fusion Inc., and TwoBucks Trading Limited ("the Defaulting Defendants"). (See Docket Entry #35.) The FTC now has moved for entry of a default judgment on all counts of the Complaint against the Defaulting Defendants pursuant to Rule 55(b)(2) of the Federal Rules of Civil Procedure. The FTC's Motion for Entry of Default Judgment Against the Defaulting Defendants is hereby granted, and **IT IS THEREFORE ORDERED, ADJUDGED AND DECREED** as follows:

**FINDINGS**

1. This Court has jurisdiction over the subject matter pursuant to 28 U.S.C. §§ 1331 and 1337(a), and 15 U.S.C. §§ 53(b) and 57b.
2. This Court has jurisdiction over the Defaulting Defendants.
3. Venue in United States District Court for the Northern District of Illinois is proper.
4. The Defaulting Defendants have engaged in activities in or affecting commerce, as "commerce" is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.
5. This action was instituted by the FTC under Sections 5, 12, 13(b) and 19 of the FTC Act, 15 U.S.C. §§ 45, 52, 53(b), and 57b and CAN-SPAM, 15 U.S.C. § 7706(a). The Commission seeks permanent injunctive relief and monetary and other equitable relief for deceptive acts or practices by the Defaulting Defendants in connection with the sale of certain purported "herbal" products and pharmaceutical medication and the initiation of commercial e-mail messages in violation of CAN-SPAM. Pursuant to Sections 13(b) and 19, 15 U.S.C. §§ 53(b) and 57b, the FTC has the authority to seek the relief it has requested.

6. The FTC's Complaint states a claim upon which relief may be granted against the Defaulting Defendants under Sections 5, 12, 13(b) and 19 of the FTC Act, 15 U.S.C. §§ 45, 52, 53(b) and 57b.

7. The Defaulting Defendants were served with the Complaint and Summons as required by Rules 4(e) and 4(h) of the Federal Rules of Civil Procedure.

8. On March 17, 2009, the Court granted the FTC's motion for default against the Defaulting Defendants. The FTC is therefore entitled to a default judgment pursuant to Rule 55(b) of the Federal Rules of Civil Procedure against these Defendants.

9. The Court now finds that, in connection with the advertising, marketing and sale of their Hoodia product, Defendants Inet Ventures Pty Ltd. and Lance Thomas Atkinson violated Sections 5(a) and 12 of the FTC Act, 15 U.S.C. §§ 45(a) and 52, by falsely representing, expressly or by implication, that:

- (A) their Hoodia Product causes rapid and substantial weight loss, including as much as four to six pounds per week; and/or
- (B) clinical research proves that the ingredient in the Hoodia Product reduces a user's caloric intake by as much as 2000 calories per day.

10. The Court further finds that, in connection with the advertising, marketing, and sale of their male enhancement pills, Defendants Inet Ventures Pty Ltd. and Lance Thomas Atkinson violated Sections 5(a) and 12 of the FTC Act, 15 U.S.C. §§ 45(a) and 52, by falsely representing, expressly or by implication, that their male enhancement pills:

- (A) are composed of a 100% natural herbal formula;
- (B) are 100% safe with no side effects; and/or

- (C) can permanently increase the size of a man's penis by up to four inches in length.

11. The Court further finds that, in connection with the advertising, marketing, and sale of their pharmaceutical medication, the Defaulting Defendants violated Sections 5(a) and 12 of the FTC Act, 15 U.S.C. §§ 45(a) and 52, by falsely representing, expressly or by implication, that:

- (A) they are a bona fide U.S. licensed pharmacy that employs board certified urologists and endocrinologists; and/or
- (B) they dispense U.S. FDA approved drugs.

12. The Court further finds that the Defaulting Defendants have violated Sections 5(a) and 12 of the FTC Act, 15 U.S.C. §§ 45(a) and 52, by falsely representing, expressly or by implication, that the information customers provide to the Defaulting Defendants' Web sites selling pharmaceutical medication is encrypted and that Defendants use an SSL secure connection when transmitting this information over the Internet.

13. The Court further finds that the Defaulting Defendants have initiated the transmission, to protected computers, of commercial e-mail messages that contained, or were accompanied by, header information that is materially false or materially misleading in violation of Section 5(a)(1) of CAN-SPAM, 15 U.S.C. § 7704(a)(1).

14. The Court further finds that the Defaulting Defendants have initiated the transmission, to protected computers, of commercial e-mail messages that fail to provide:

- (A) clear and conspicuous notice of the recipient's opportunity to decline to receive further commercial electronic mail messages from the sender; and/or
- (B) a functioning return e-mail address or other internet-based mechanism, clearly and conspicuously displayed, that a recipient could use to submit a

reply requesting not to receive future commercial e-mail from Defendants, and that remains capable of receiving such messages for no less than 30 days after the transmission of the original message,

in violation of Sections 5(a)(5)(A)(ii) and/or 5(a)(3) of CAN-SPAM, 15 U.S.C. § 7704(a)(5)(A) and/or § 7704(a)(3).

15. The Court further finds that Defaulting Defendants have initiated the transmission, to protected computers, of commercial e-mail messages that fail to provide the senders' valid physical postal address in violation of Section 5(a)(5)(A)(iii) of CAN-SPAM, 15 U.S.C. § 7704(a)(5)(A)(iii).

16. The Court further finds that Defendants Tango Pay Inc., Click Fusion Inc. and TwoBucks Trading Limited have operated as a common enterprise by sharing officers, employees, office locations, and commingling funds in furtherance of a scheme to engage in unfair or deceptive acts or practices in or affecting commerce. Therefore, Defendants Tango Pay Inc., Click Fusion Inc. and TwoBucks Trading Limited are jointly and severally liable for the injuries caused by their violations of the FTC Act and CAN-SPAM. *See, e.g., FTC v. Bay Area Bus. Council*, 423 F.3d 627, 635 (7th Cir. 2005).

17. The Court further finds that Defendant Lance Thomas Atkinson is the sole officer of Defendant Inet Ventures Pty Ltd. He has participated directly in the deceptive acts or practices and had authority to control Inet Ventures. He also knew or should have known about the deceptive practices. Defendant Lance Thomas Atkinson is thus individually liable for the deceptive acts and practices in this matter. *See FTC v. World Media Brokers*, 415 F.3d 758, 764 (7th Cir. 2005); *FTC v. Amy Travel Serv., Inc.*, 875 F.2d 564, 573-74 (7th Cir. 1989).

18. It is proper in this case to issue a permanent injunction prohibiting the Defaulting Defendants from making, or assisting others in making, false or misleading statements or representations in connection with the advertising, marketing, offering for sale, or sale of any good or service, or from further violations of CAN-SPAM. *See FTC v. Febre*, 128 F.3d 530, 534 (7th Cir. 1997); *Amy Travel*, 875 F.2d at 572.

19. It is proper in this case to enter equitable monetary relief against the Defaulting Defendants for consumer injury caused by their violation of the FTC Act for the deceptive sale of the products discussed above through illegal spam email messages. *See Febre*, 128 F.3d at 537 (court may “order repayment of money for consumer redress as restitution” and may order disgorgement of ill-gotten gains to “prevent[] the defendant from being unjustly enriched by the fraud”). The usual method of calculating restitution is determining the “full amount lost by consumers.” *Id.* at 536. The Court finds that:

- (A) the total amount of consumer injury caused by Defendants Lance Thomas Atkinson and Inet Ventures Pty Ltd. for the sale of their Hoodia Products, Male Enhancement Products, prescription drugs, and other products through illegal commercial email messages is \$15,151,029; and
- (B) the total amount of consumer injury caused by the Defendants Tango Pay Inc., Click Fusion Inc. and TwoBucks Trading Limited for the sale of the pharmaceutical products and other products through illegal commercial email messages is \$3,768,397.

20. Entry of this Order is in the public interest.

## DEFINITIONS

1. **“Advertising”** or **“Advertisement”** means any written or verbal statement, illustration, or depiction that is designed to effect a sale or create interest in the purchasing of goods or services, whether it appears in a brochure, newspaper, magazine, pamphlet, leaflet, circular, mailer, book insert, free standing insert, letter, catalogue, poster, chart, billboard, public transit card, point of purchase display, packaging insert, label, film, slide, radio, television or cable television, audio program transmitted over a telephone system, program-length commercial (“infomercial”), Internet website (including metatags), or in any other medium.
2. **“Asset”** or **“Assets”** mean any legal or equitable interest in, right to, or claim to, any real and personal property, including but not limited to chattel, goods, instruments, equipment, fixtures, general intangibles, effects, leaseholds, premises, contracts, mail or other deliveries, shares of stock, lists of consumer names, inventory, checks, notes, accounts, credits, receivables, funds, and all cash, wherever located.
3. **“Assisting others”** includes, but is not limited to: (1) performing customer service functions including, but not limited to, receiving or responding to consumer complaints; (2) providing, or arranging for the provision of, names of potential customers; (3) performing marketing services of any kind; (4) acting as an officer or director of a business entity; or (5) providing credit or debit card account processing.
4. **“Clear(ly) and Prominent(ly)”** means as follows:
  - A. In an advertisement communicated through an electronic medium (such as television, video, radio, and interactive media such as the Internet, online services and software), the disclosure shall be presented simultaneously in both the audio and visual portions of the advertisement. *Provided, however,* that in any

advertisement presented solely through visual or audio means, the disclosure may be made through the same means in which the ad is presented. *Provided, further,* that in any advertisement communicated through interactive media which is presented predominantly through visual or audio means, the disclosure may be made through the same means in which the ad is predominantly presented. The audio disclosure shall be delivered in a volume and cadence sufficient for an ordinary consumer to hear and comprehend it. The visual disclosure shall be of a size and shade, with a degree of contrast to the background against which it appears, and shall appear on the screen for a duration and in a location, sufficiently noticeable for an ordinary consumer to read and comprehend it.

*Provided, however,* in the case of advertisements disseminated by means of an interactive electronic medium, such as software, the Internet, online service page, or other electronic page, “clear and prominent” disclosures do not include disclosures accessed or displayed through hyperlinks, pop-ups, or interstitials.

- B. In a print advertisement, promotional material, or instructional manual, the disclosure shall be in a type size and location sufficiently noticeable for an ordinary consumer to read and comprehend it, in print that contrasts with the background against which it appears.
- C. The disclosure shall be in understandable language and syntax. Nothing contrary to, inconsistent with, or in mitigation of the disclosure shall be used in any advertisement or on any label.

5. “**Commercial electronic mail message**” (or “**commercial email**”) “means any electronic mail message the primary purpose of which is the commercial advertisement or



promotion of a commercial product or service (including content on an Internet website operated for a commercial purpose).” 15 U.S.C. § 7702(2) (A) (2004).

6. **“Competent and reliable scientific evidence”** means tests, analyses, research, studies, or other evidence based on the expertise of professionals in the relevant area, that has been conducted and evaluated in an objective manner by persons qualified to do so, using procedures generally accepted in the profession to yield accurate and reliable results.

7. **“Covered product or service”** means any dietary supplement, food or drug, or any service purporting to provide health-related benefits.

8. **“Defaulting Defendants”** means Lance Thomas Atkinson, Inet Ventures Pty Ltd., Tango Pay Inc., Click Fusion Inc. and TwoBucks Trading Limited, and their successors and assigns.

9. **“Document”** is synonymous in meaning and equal in scope to the usage of the term in Federal Rule of Civil Procedure 34(a), and includes writing, drawings, graphs, charts, Internet sites, Web pages, Web sites, electronic correspondence, photographs, audio and video recordings, computer records, and other data compilations from which information can be obtained and translated, if necessary, through detection devices into reasonably usable form. A draft or non-identical copy is a separate document within the meaning of the term.

10. **“Electronic mail address”** “means a destination, commonly expressed as a string of characters, consisting of a unique user name or mailbox (commonly referred to as the “local part”) and a reference to an Internet domain (commonly referred to as the “domain part”), whether or not displayed, to which an electronic mail message can be sent or delivered.”

15 U.S.C. § 7702(5).

11. **“Header information”** “means the source, destination, and routing information attached to an electronic mail message, including the originating domain name and originating electronic

mail address, and any other information that appears in the line identifying, or purporting to identify, a person initiating the message.” 15 U.S.C. § 7702(8).

12. **“Hoodia Products”** shall refer to any products that are advertised, marketed, promoted, offered for sale, distributed, or sold with express or implied representations that the product contains any form of Hoodia gordonii.

13. **“Male Enhancement Products”** shall refer to any products that are advertised, marketed, promoted, offered for sale, distributed, or sold with express or implied representations that the product may enhance or increase the size of a man’s penis, including, but not limited to, VPXL, ManSter, Xtrasize+, Megadik, Man XL, LNH Solutions, MaxGain+ and PowerEnlarge, or any other substantially similar products.

14. **“Product label”** means any label or other written, printed or graphic matter upon any product or accompanying any product, including package labels, bottle labels, and package inserts.

15. **“Sender”** means a person who initiates a commercial electronic mail message and whose product, service, or Internet website is advertised or promoted by the message.

15 U.S.C. § 7702(16).

## ORDER

### **I. UNLAWFUL CLAIMS ABOUT MALE ENHANCEMENT PRODUCTS**

**IT IS THEREFORE ORDERED** that Defendants Lance Thomas Atkinson and Inet Ventures Pty Ltd., their officers, agents, servants, employees, and attorneys, and those persons or entities in active concert or participation with any of them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any trust, corporation,

subsidiary, division, or other device, or any of them, in connection with the manufacturing, labeling, advertising, promotion, offering for sale, sale, or distribution of any Male Enhancement Products, in or affecting commerce, are hereby permanently restrained and enjoined from:

A. Misrepresenting, or assisting others in misrepresenting, expressly or by implication, any material fact, including, but not limited to:

1. that the Male Enhancement Products are composed of a 100% natural herbal formula;
2. that the Male Enhancement Products are 100% safe with no side effects; or
3. that the Male Enhancement Products can permanently increase the size of a man's penis; or

B. Making, or assisting others in making, any representation, expressly or by implication, about the health benefits, performance, efficacy, or safety of such products unless, at the time of making such representation, Defendants Lance Thomas Atkinson and Inet Ventures Pty Ltd. possess and rely upon competent and reliable scientific evidence that substantiates the representation.

## **II. UNLAWFUL CLAIMS ABOUT HOODIA PRODUCTS**

**IT IS THEREFORE ORDERED** that Defendants Lance Thomas Atkinson and Inet Ventures Pty Ltd., their officers, agents, servants, employees, and attorneys, and those persons or entities in active concert or participation with any of them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any trust, corporation, subsidiary, division, or other device, or any of them, in connection with the manufacturing,

labeling, advertising, promotion, offering for sale, sale, or distribution of any Hoodia Products, in or affecting commerce, are hereby permanently restrained and enjoined from:

A. Misrepresenting, or assisting others in misrepresenting, expressly or by implication, any material fact, including, but not limited to:

1. that the Hoodia Products cause rapid and substantial weight loss, including as much as four to six pounds per week; or
2. that clinical research proves that the Hoodia Products cause substantial weight loss or reduction in a user's caloric intake; or

B. Making, or assisting others in making, expressly or by implication, any representation about the health benefits, performance, efficacy, or safety of such products unless, at the time of making such representation, Defendants Lance Thomas Atkinson and Inet Ventures Pty Ltd. possess and rely upon competent and reliable scientific evidence that substantiates the representation.

### **III. PROHIBITED PHARMACY CLAIMS AND PRACTICES**

**IT IS THEREFORE ORDERED** that the Defaulting Defendants, their officers, agents, servants, employees, and attorneys, and those persons or entities in active concert or participation with any of them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any trust, corporation, subsidiary, division, or other device, or any of them, in connection with the advertisement, promotion, offering for sale or sale of prescription drugs or pharmacy services over the Internet, are hereby permanently restrained and enjoined from:

A. misrepresenting, or assisting other in misrepresenting, expressly or by implication, any material fact, including but not limited to:

1. that they are a bona fide U.S. licensed pharmacy that employs board certified urologists and endocrinologists; or
2. that they dispense U.S. FDA approved drugs.

B. failing to disclose clearly and prominently on each Web page or commercial electronic mail message where prescription drugs or pharmacy services are advertised, promoted, offered for sale or sold:

1. the name, business address, and phone number of the pharmacy that will dispense the prescription drug, and the state or states where such pharmacy is licensed or registered to do business;
2. the name, address, and phone number of the physician who will review the information provided by the consumer for the purpose of determining whether to issue or authorize the prescription, if such service is offered, and the state or states where the physician is licensed or authorized to practice medicine;
3. the name, business address, phone number and a contact person for the entity offering the prescription drugs;
4. the state or states from which the entity will accept orders for prescription drugs; and
5. that "Dispensing a prescription drug without a valid prescription is a violation of Federal law. More information about purchasing prescription drugs online is available at [www.fda.gov](http://www.fda.gov)."

#### **IV. OTHER PROHIBITED PRODUCT CLAIMS**

**IT IS FURTHER ORDERED** that the Defaulting Defendants, their officers, agents, servants, employees, and attorneys, and those persons or entities in active concert or participation with any of them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any trust, corporation, subsidiary, division, or other device, or any of them, in connection with the manufacturing, labeling, advertising, promotion, offering for sale, sale, or distribution of any covered product or service, in or affecting commerce, are hereby permanently restrained and enjoined from making, or assisting others in making, any representation, in any manner, expressly or by implication, including through the use of endorsements, about the health benefits, absolute or comparative benefits, performance, safety, or efficacy of such product or service unless, at the time the representation is made, Defendants possess and rely upon competent and reliable scientific evidence that substantiates the representation.

#### **V. PROHIBITED SECURITY CLAIMS**

**IT IS FURTHER ORDERED** that the Defaulting Defendants, their officers, agents, servants, employees, and attorneys, and those persons or entities in active concert or participation with any of them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any trust, corporation, subsidiary, division, or other device, or any of them, in connection with the advertisement, promotion, offering for sale or sale of any product or service over the Internet are hereby permanently restrained and enjoined from misrepresenting, or assisting others in misrepresenting, expressly or by implication, any material

fact relating to the security measures employed on any Web site, including, but not limited to that:

- A. the information customers provide to the Defaulting Defendants' Web sites is encrypted; or
- B. the Defaulting Defendants use an SSL secure connection when transmitting this information over the Internet.

## **VI. PROHIBITED CAN-SPAM PRACTICES**

**IT IS FURTHER ORDERED** that the Defaulting Defendants, their officers, agents, servants, employees, and attorneys, and those persons or entities in active concert or participation with any of them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any trust, corporation, subsidiary, division, or other device, or any of them, are hereby permanently restrained and enjoined from violating, or assisting others in violating, the provisions contained in the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 ("CAN-SPAM Act"), 15 U.S.C. §§ 7704 and 7705, as currently promulgated or as it may hereafter be amended, or any rule, regulation, or requirement adopted pursuant thereto, including, but not limited to, initiating the transmission of a commercial electronic mail message that:

- A. Contains, or is accompanied by, false or misleading header information;
- B. Fails to include a clear and conspicuous notice of the opportunity to decline to receive further electronic mail messages from the sender; or
- C. Fails to include a valid physical postal address of the sender.

**VII. EQUITABLE MONETARY RELIEF**

**IT IS FURTHER ORDERED** that

- A. Judgment is hereby entered in favor of the FTC and against Defendants Lance Thomas Atkinson and Inet Ventures Pty Ltd., jointly and severally, in the amount of \$15,151,029 as equitable monetary relief for violations of the FTC Act and the CAN-SPAM Act. This monetary judgment shall become immediately due and payable upon entry of this Order, and interest computed at the rate prescribed under 28 U.S.C. § 1961(a), as amended, shall immediately begin to accrue on the unpaid balance.
- B. Judgment is hereby entered in favor of the FTC and against Defendants Tango Pay Inc., Click Fusion Inc. and TwoBucks Trading Limited, jointly and severally, in the amount of \$3,768,397 as equitable monetary relief for violations of the FTC Act and the CAN-SPAM Act. This monetary judgment shall become immediately due and payable upon entry of this Order, and interest computed at the rate prescribed under 28 U.S.C. § 1961(a), as amended, shall immediately begin to accrue on the unpaid balance.
- C. All funds paid pursuant to this Section shall be deposited into a fund administered by the FTC or its agent to be used for equitable relief, including, but not limited to, consumer redress and any attendant expenses for the administration of such equitable relief. In the event that direct redress to consumers is wholly or partially impracticable or funds remain after redress is completed, the FTC may apply any remaining funds for other equitable relief (including consumer information remedies) as it determines to be reasonably related to the Defaulting



Defendants' practices alleged in the Complaint. Defaulting Defendants shall have no right to challenge the FTC's choice of remedies under this Subsection. The Commission, in its sole discretion, may use a designated agent to administer consumer redress. This judgment for equitable monetary relief is solely remedial in nature and is not a fine, penalty, punitive assessment, or forfeiture.

#### **VIII. ASSETS HELD BY THIRD PARTIES**

**IT IS FURTHER ORDERED** that Defaulting Defendants shall have no right, title and interest to assets frozen pursuant to Section IX of the Preliminary Injunction entered by the Court on October 21, 2008, including assets held by Deutsche Bank AG, ePassporte, N.V., Wachovia Bank, and Wells Fargo Bank. In order to partially satisfy the monetary judgment set forth in Section VII above, any financial or brokerage institution, escrow agent, title company, commodity trading company, automated clearing house, network transaction processor, business entity, or person that holds, controls, or maintains custody of any account or asset of, on behalf of, or for the benefit of, the Defaulting Defendants, including Deutsche Bank AG, ePassporte, N.V., Wachovia Bank, and Wells Fargo Bank, shall turn over such account or asset to the Commission within ten (10) business days of receiving notice of this Order by any means, including, but not limited to, via facsimile.

#### **IX. COMPLIANCE MONITORING**

**IT IS FURTHER ORDERED** that, for the purpose of monitoring and investigating compliance with any provision of this Order:

- A. Within ten (10) days of receipt of written notice from a representative of the Commission, Defaulting Defendants each shall submit additional written reports, which are true and accurate and sworn to under penalty of perjury; produce

documents for inspection and copying; appear for deposition; and provide entry during normal business hours to any business location in each Defaulting Defendant's possession or direct or indirect control to inspect the business operation;

B. In addition, the Commission is authorized to use all other lawful means, including but not limited to:

1. obtaining discovery from any person, without further leave of Court, using the procedures prescribed by Fed. R. Civ. P. 30, 31, 33, 34, 36, 45 and 69; and
2. having its representatives pose as consumers and suppliers to Defaulting Defendants, their employees, or any other entity managed or controlled in whole or in part by any Defaulting Defendant, without the necessity of identification or prior notice; and

C. Defaulting Defendants each shall permit representatives of the Commission to interview any employer, consultant, independent contractor, representative, agent, or employee who has agreed to such an interview, relating in any way to any conduct subject to this Order. The person interviewed may have counsel present.

*Provided, however,* that nothing in this Order shall limit the Commission's lawful use of compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49, 57b-1, to obtain any documentary material, tangible things, testimony, or information relevant to unfair or deceptive acts or practices in or affecting commerce (within the meaning of 15 U.S.C. § 45(a)(1)).

## **X. COMPLIANCE REPORTING**

**IT IS FURTHER ORDERED** that, in order that compliance with the provisions of this Order may be monitored:

- A. For a period of five (5) years from the date of entry of this Order,
  1. Lance Thomas Atkinson shall notify the FTC of the following:
    - a. Any changes in his residence, mailing addresses and telephone numbers, within ten (10) days of the date of such change;
    - b. Any changes in his employment status (including self-employment) and any change in his ownership in any business entity within ten (10) days of such change. Such notice shall include the name and address of each business that he is affiliated with or employed by, creates or forms, or performs services for; a detailed description of the nature of the business; and a detailed description of his duties and responsibilities in connection with the business or employment; and
    - c. Any changes in his name or use of any aliases or fictitious names within ten (10) days of the date of such change;
  2. Defaulting Defendants shall notify the Commission of any changes in structure of Inet Ventures Pty Ltd., Tango Pay Inc., Click Fusion Inc. or TwoBucks Trading Limited or any business entity that any Defaulting Defendant directly or indirectly controls, or has an ownership interest in, that may affect compliance obligations arising under this Order, including but not limited to: incorporation or other organization; a dissolution,

assignment, sale, merger, or other action; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this Order; or a change in the business name or address, at least thirty (30) days prior to such change, *provided that*, with respect to any such change in the business entity about which a Defaulting Defendant learns less than thirty (30) days prior to the date such action is to take place, such Defendant shall notify the Commission as soon as is practicable after obtaining such knowledge.

B. One hundred eighty (180) days after the date of entry of this Order and annually thereafter for a period of five (5) years, Defaulting Defendants each shall provide a written report to the Commission, which is true and accurate and sworn to under penalty of perjury, setting forth in detail the manner and form in which they have complied and are complying with this Order. This report shall include, but not be limited to:

1. For Lance Thomas Atkinson:
  - a. his then-current residence address, mailing addresses, and telephone numbers;
  - b. his then-current employment status (including self-employment), including the name, addresses, and telephone numbers of each business that he is affiliated with, employed by, or performs services for; a detailed description of the nature of the business; and a detailed description of his duties and responsibilities in connection with the business or employment; and

- c. Any other changes required to be reported under Subsection A of this Section.
  - 2. For all Defaulting Defendants:
    - a. A copy of each acknowledgment of receipt of this Order, obtained by Defaulting Defendants pursuant to the Section titled "Distribution of Order;" and
    - b. Any other changes required to be reported under Subsection A of this Section.
- C. Each Defaulting Defendant shall notify the Commission of the filing of a bankruptcy petition by such Defendant within fifteen (15) days of filing.
- D. For the purposes of this Order, Defaulting Defendants shall, unless otherwise directed by the Commission's authorized representatives, send by overnight courier all reports and notifications required by this Order to the Commission, to the following address:

Associate Director of Enforcement  
Federal Trade Commission  
600 Pennsylvania Ave., N.W., Room NJ-2122  
Washington, D.C. 20580  
Re: *FTC v. Atkinson*, 08 C 5666 (N.D. Ill.)

*Provided that, in lieu of overnight courier, Defaulting Defendants may send such reports or notifications by first-class mail, but only if Defaulting Defendants contemporaneously send an electronic version of such report or notification to the Commission at: DEBrief@ftc.gov.*

- E. For purposes of the compliance reporting and monitoring required by this Order, the Commission is authorized to communicate directly with each Defaulting Defendant.

#### **XI. RECORDKEEPING**

**IT IS FURTHER ORDERED** that, for a period of eight (8) years from the date of entry of this Order, Defendants Inct Ventures Pty Ltd., Tango Pay Inc., Click Fusion Inc., and TwoBucks Trading Limited, and Defendant Lance Thomas Atkinson for any business for which he, individually or collectively, is the majority owner or directly or indirectly controls, are hereby restrained and enjoined from failing to create and retain the following records:

- A. Accounting records that reflect the cost of goods or services sold, revenues generated, and the disbursement of such revenues;
- B. Personnel records accurately reflecting: the name, address, and telephone number of each person employed in any capacity by such business, including as an independent contractor; that person's job title or position; the date upon which the person commenced work; and the date and reason for the person's termination, if applicable;
- C. Customer files containing the names, addresses, telephone numbers, dollar amounts paid, quantity of items or services purchased, and description of items or services purchased, to the extent such information is obtained in the ordinary course of business;
- D. Complaints and refund requests (whether received directly or indirectly, such as through a third party), and any responses to those complaints or refund requests;

- E. Copies of all sales scripts, training materials, advertisements, or other marketing materials; and
- F. All records and documents necessary to demonstrate full compliance with each provision of this Order, including but not limited to, copies of acknowledgments of receipt of this Order required by the Sections titled "Distribution of Order" and "Acknowledgment of Receipt of Order" and all reports submitted to the FTC pursuant to the Section titled "Compliance Reporting."

**XII. DISTRIBUTION OF ORDER**

**IT IS FURTHER ORDERED** that, for a period of five (5) years from the date of entry of this Order, Defaulting Defendants shall deliver copies of this Order as directed below:

- A. Corporate Defendant: Defendants Inet Ventures Pty Ltd., Tango Pay Inc., Click Fusion Inc., and TwoBucks Trading Limited each must deliver a copy of this Order to (1) all of its principals, officers, directors, and managers; (2) all of its employees, agents, and representatives who engage in conduct related to the subject matter of the Order; and (3) any business entity resulting from any change in structure set forth in Subsection A.2 of the Section titled "Compliance Reporting." For current personnel, delivery shall be within five (5) days of service of this Order upon such Defendant. For new personnel, delivery shall occur prior to them assuming their responsibilities. For any business entity resulting from any change in structure set forth in Subsection A.2 of the Section titled "Compliance Reporting," delivery shall be at least ten (10) days prior to the change in the structure.

- B. Individual Defendant as Control Person: For any business that Lance Thomas Atkinson controls, directly or indirectly, or in which he has a majority ownership interest, he must deliver a copy of this Order to (1) all principals, officers, directors, and managers of that business; (2) all employees, agents, and representatives of that business who engage in conduct related to the subject matter of the Order; and (3) any business entity resulting from any change in structure set forth in Subsection A.2 of the Section titled "Compliance Reporting." For current personnel, delivery shall be within five (5) days of service of this Order upon the Defendant. For new personnel, delivery shall occur prior to them assuming their responsibilities. For any business entity resulting from any change in structure set forth in Subsection A.2 of the Section titled "Compliance Reporting," delivery shall be at least ten (10) days prior to the change in the structure.
- C. Individual Defendant as employee or non-control person: For any business where Lance Thomas Atkinson is not a controlling person of a business but otherwise engages in conduct related to the subject matter of this Order, he must deliver a copy of this Order to all principals and managers of such business before engaging in such conduct.
- D. Defaulting Defendants must secure a signed and dated statement acknowledging receipt of the Order, within thirty (30) days of delivery, from all persons receiving a copy of the Order pursuant to this Section.



**XIII. ACKNOWLEDGMENT OF RECEIPT OF ORDER**

**IT IS FURTHER ORDERED** that each Defaulting Defendant, within five (5) business days of receipt of this Order as entered by the Court, must submit to the Commission a truthful sworn statement acknowledging receipt of this Order.


**XIV. ENTRY OF JUDGMENT**

**IT IS FURTHER ORDERED** that, as there is no just reason for delay of entry of this judgment, pursuant to Fed. R. Civ. P. 54(b), the clerk shall enter this Order immediately.

**XV. RETENTION OF JURISDICTION**

**IT IS FURTHER ORDERED** that this Court shall retain jurisdiction of this matter for purposes of construction, modification, and enforcement of this Order.

**IT IS SO ORDERED**, this 4<sup>th</sup> day of NOVEMBER, 2009.

  
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Honorable Virginia M. Kendall  
United States District Judge

Respectfully submitted by:

/s/ Steven M. Wernikoff  
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